

Holloman AFB, NM

The ACC Group 2 (Davis-Monthan AFB & Holloman AFB) Industry Forum for its Family Housings Privatization Project will be held in Las Vegas, NV at the Cashman Center. The Forum, which will be facilitated by Basile Baumann Prost and Associates of Annapolis, MD, will take place on June 28 until approximately 3PM. This Industry Forum should be a well-attended event. Please register for the Forum at www.bbpa.com. Additional information about the Industry Forum and the privatization project can also be found at www.bbpa.com.

GOAL

To provide military families access to safe, quality, affordable housing in a community where they will choose to live.

VISION

End state is 1,280 privatized housing units.

PROJECT OVERVIEW

The project involves a real estate transaction to privatize all of the military family housing for Holloman AFB. The Government will lease land and convey 1,413 existing housing units and other improvements by fee ownership to the Project Owner (PO). The PO will:

- Demolish 730 units
- Renovate 582 units
- Accept 101 units "As is"
- Construct 597 new units

The PO will finance, plan, design and construct improvements, as well as own and operate the rental housing development for military families for 50 years. The Government is willing to provide financing assistance in the form of a Direct Government Loan.

MARKET OVERVIEW

Holloman AFB is located in Otero County just outside the City of Alamogordo, New Mexico. Holloman is approximately 96 miles north east of El Paso, Texas. Holloman is assigned to Air Combat Command and is operated by the 49th Fighter Wing. The base currently has an identified total housing requirement of 1,280 housing units.

THE DEAL

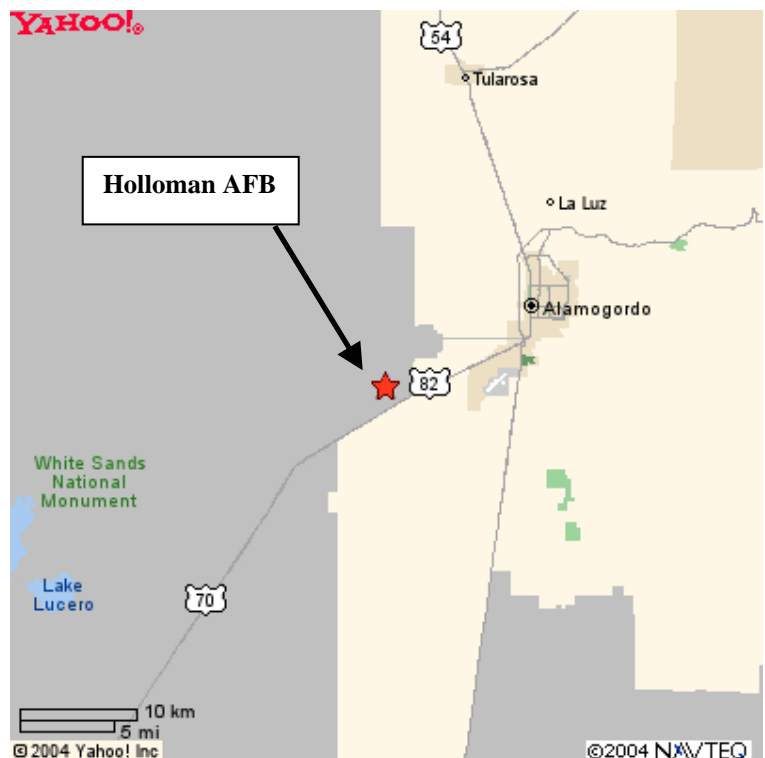
The success of this project is based on the long-term commitment between the Government and the Project Owner.

Holloman AFB brings:

- Authority to provide a Direct Government Loan
- 1,413 housing units and associated improvements

The Project Owner brings:

- A complete and feasible business/financing package
- Well-developed community plans and quality designs
- Demolition, renovation and construction expertise
- Quality property management for 50 years



REAL ESTATE TRANSACTIONS

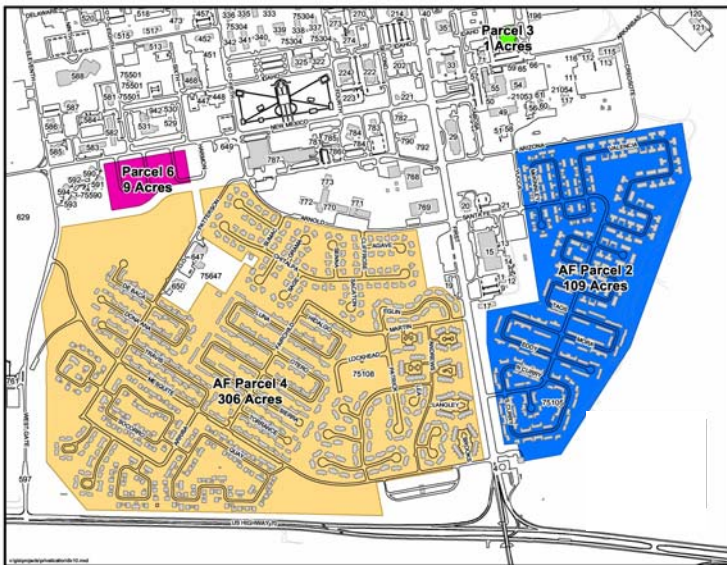
Real estate transactions for government-owned land, facilities, and improvements include a 50-year ground lease and a deeded conveyance of existing housing units/infrastructure. The real estate agreements will allow the Project Owner to acquire appropriate financing and collect revenues from the housing to help finance the project.

Government owned utility distribution and collection systems servicing existing housing units located within the leased land will also be conveyed to the Project Owner. Waste water treatment and water supply may continue to be provided by the base on a cost-reimbursable basis, if desired. Infrastructure, such as roads, parking areas, sidewalks, street lighting, and drainage systems located within the leased parcels of land, will also be conveyed to the Project Owner. Telephone and CATV are available on-site from local commercial providers.

The Government has available funding for a direct loan for this project. The housing allowances given to military personnel provide cash flow for the project.

Offerors should carefully consider the best possible means of minimizing long-term costs to the Government.

Current Base Housing Area



RENT STRUCTURE

- Military receive their basic allowance for housing (BAH)
- Referred military tenants' pay rent equal to BAH (w/dependents) minus 110% of expected electric/gas charges.
- Military tenants pay rent to the Project Owner.
- Tenants pay all unit electric/gas, telephone and cable TV charges to respective providers.
- Rent includes refuse collection.
- All tenants other than referred military families will pay market rent. Tenant lease agreements to Other Eligible Tenants will be limited to a one-year duration or less in the initial fill.

PRIORITY PLACEMENT PLAN

- The Government will **not** guarantee occupancy, but will provide priority referrals of potential occupants.
- Military will not be mandated to occupy privatized housing.
- Priority placement for all units is required as follows:
 - Referred military families
 - Other Active Duty Military Members/Families
 - Unaccompanied Military Members
 - Federal Civil Service Employees
 - Retired Military Members/Families
 - Guard & Reserve Military Members/Families
 - Retired Federal Civil Service
 - DoD Contractor/Permanent Employees(US Citizens)
 - General public
- Units will be held open for referred military families, unless occupancy levels fall below ninety-five percent for three consecutive months. If occupancy falls below ninety-five percent for three consecutive months the remaining list of individuals (in priority order) be permitted to rent the units.

TARGET MILESTONES

Industry Forum	28 June 05
Issue Solicitation	Sept 05
Evaluate Proposals and Select	Nov 05-Jan 06
Close Deal	July 06

HOUSING PRIVATIZATION WEBPAGE

Information is subject to change. Please visit the website below for the latest public information on ACC Group 2 (Davis-Monthan AFB and Holloman AFB) housing privatization project.

www.bbpa.com